September 11, 2008

State of Iowa API Project Results and Recommendations

TGB Meeting – 9/11/2008

UMT Consulting
Project & Portfolio Management Consultants

API Data Results

API Agency Submit Status	Count	%
In progress	2	5%
No response	0	0%
No Applications	2	5%
Received	39	89%
Partial	1	2%
Total	**44**	**100%**

API Record Status	Count	%
Completed Record	**741**	**90%**
Incomplete Record	**86**	**10%**
N/A	**0**	**0%**
Total	**827**	**100%**

API Survey Status	Count	%
Survey Completed	**47**	**6%**
Fill Out Survey	**17**	**2%**
N/A	**763**	**92%**
Total	**827**	**100%**

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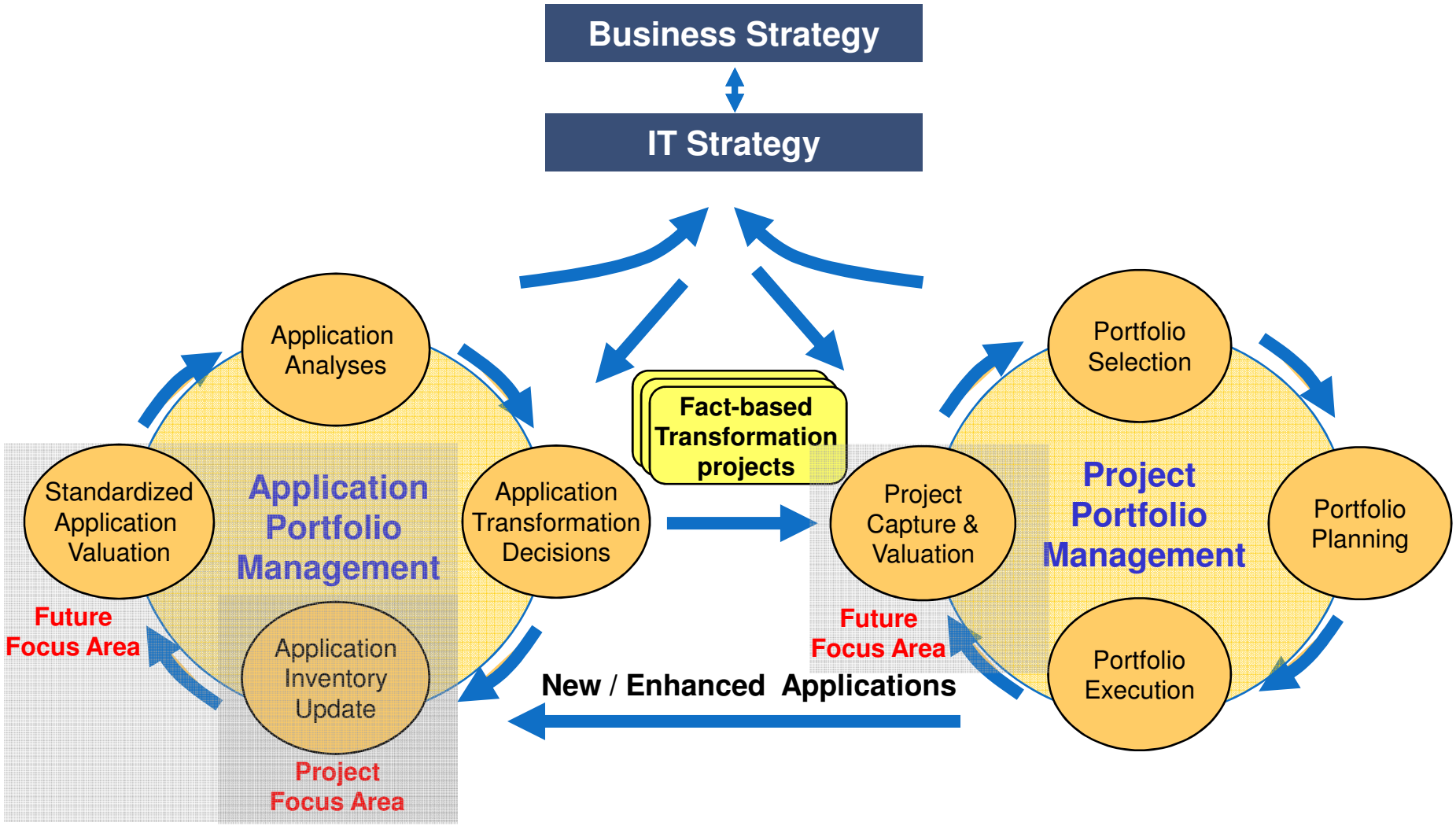
API Leads to Portfolio Management



Portfolio management is a continuous process of managing project, application and asset portfolio's

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Recommended Next Steps

- Review API with Homeland Security applications within LDRPS
- Create a single authoritative repository for all Applications (short term)
- Define and Socialize process for keeping current API updated
- Project and Portfolio Management Maturity Assessment for 11 JCIO's (Benchmark)
- Tool selection/implementation for Project and Application Portfolio Management
- Conduct Proof of Concept (POC) with one Agency for Project Portfolio Management (PPM - Project Intake) and Application Portfolio Management (APM - Enhanced Inventory and Assessment)
- Conduct Pilot with 2 additional Agencies based on results of POC
- Establish PMO Center of Excellence

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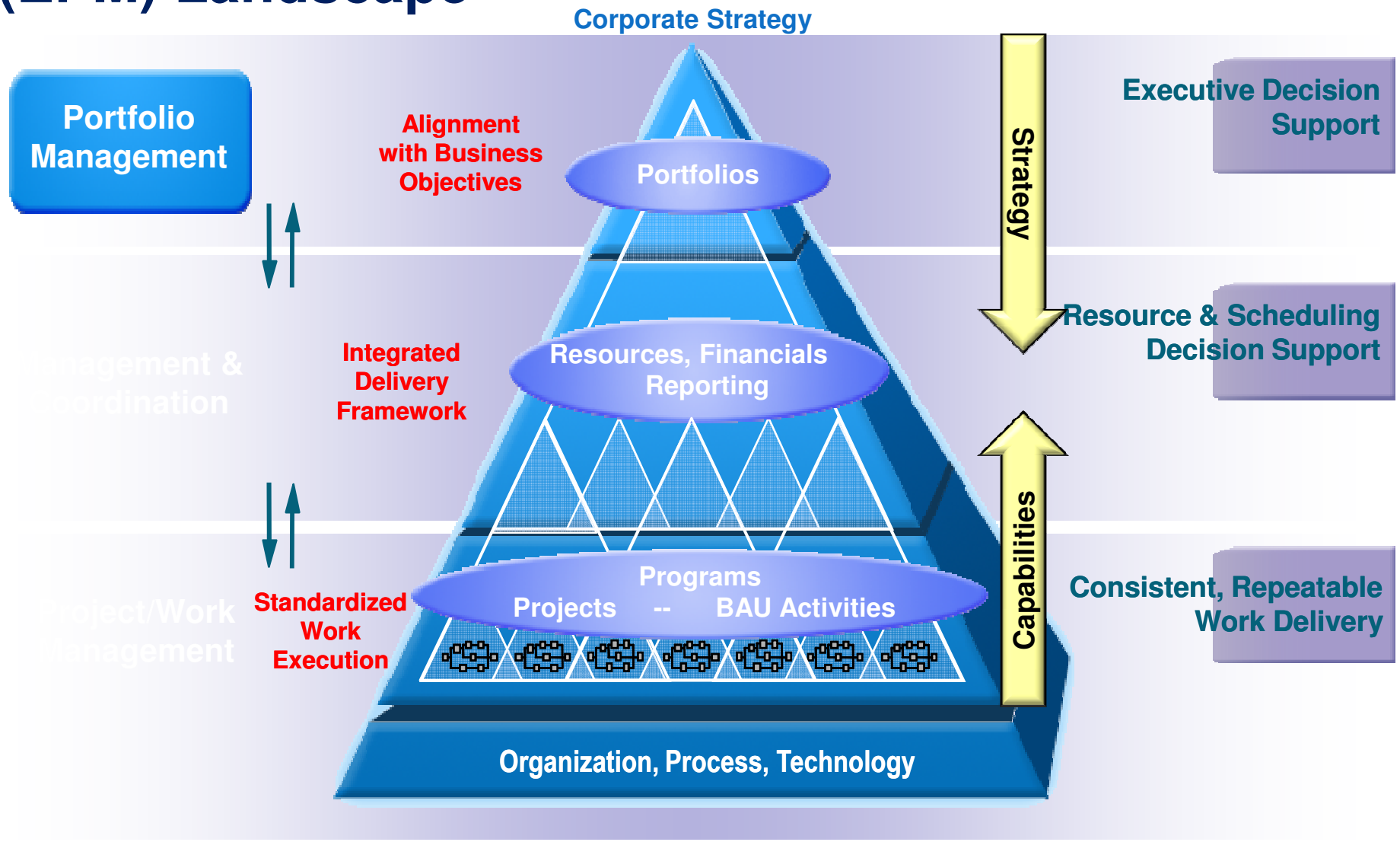
Enterprise Portfolio and Project Management (EPM) Landscape



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Disciplines of Portfolio and Project Management

Portfolio Management answers:

- ✓ Have I selected the right project investments?
- ✓ Do the project investments align with our strategic objectives?
- ✓ Do I have sufficient resources to deliver the selected project investments?
- ✓ Are my project investments delivering the forecasted benefits?

Project Management answers:

- ✓ Who's available to staff our new projects?
- ✓ When will we really finish and what will it cost?
- ✓ What am I supposed to be delivering this week?
- ✓ Can we link project data with our front & back office?

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Enterprise Project & Portfolio Management Value

Enterprise Project and Portfolio Management process implementation are transformational, leading to improved business processes in the areas of:

- Visibility & Transparency
- Decision-making
- Communication
- Project execution
- IT value positioning
- Resource usage

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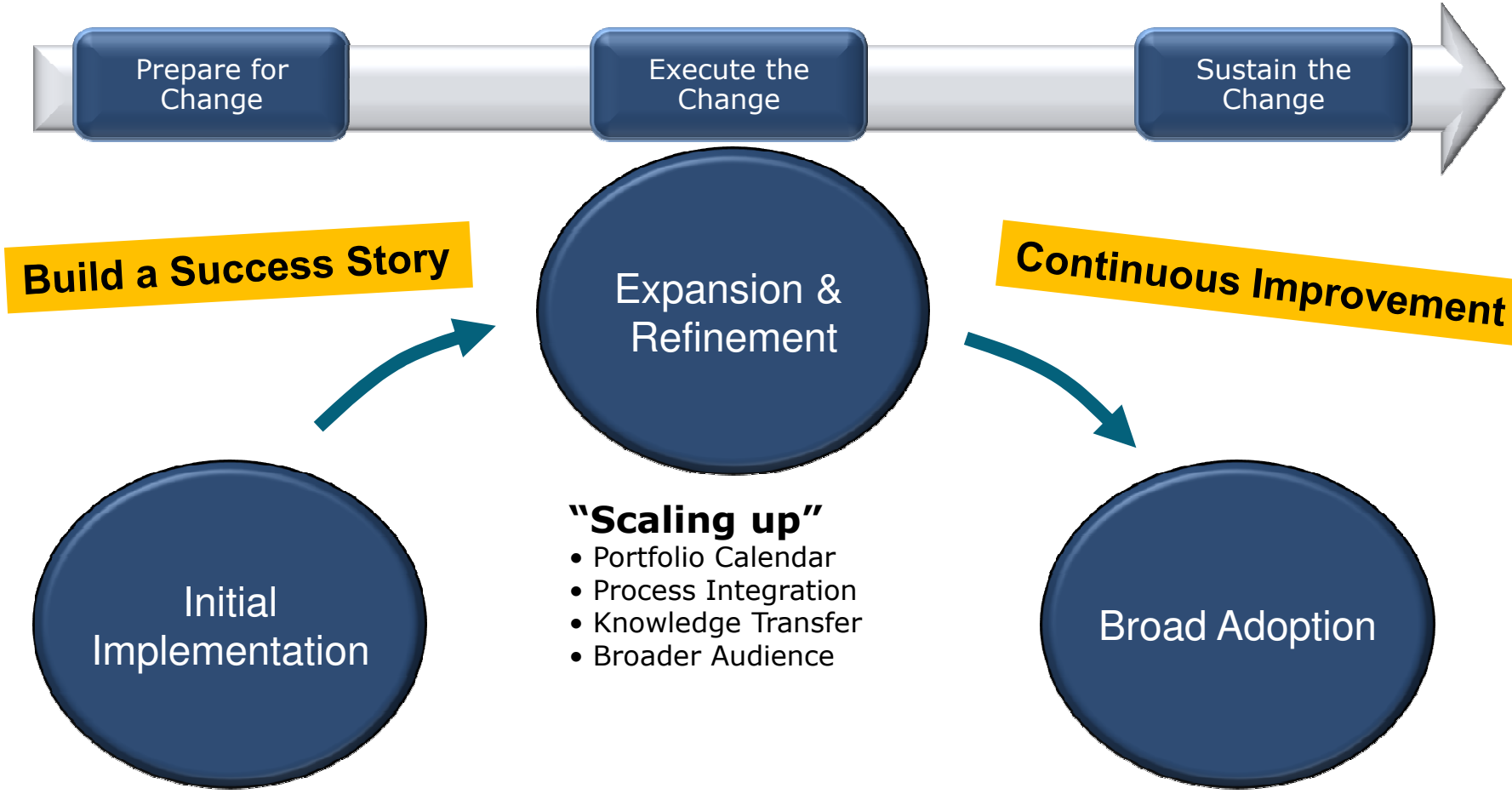
UMT's Implementation-to-Success Approach



"Scaling up"
- Portfolio Calendar
- Process Integration
- Knowledge Transfer
- Broader Audience

"Building the Foundation"
- Envisioning
- Introduction to methodology
- Best Practice Reviewed
- Early Adopters (1 Agency)

"Harvesting & Sustaining"
- Training and on-boarding
- Socialization
- Continuous improvement
- Enterprise capability

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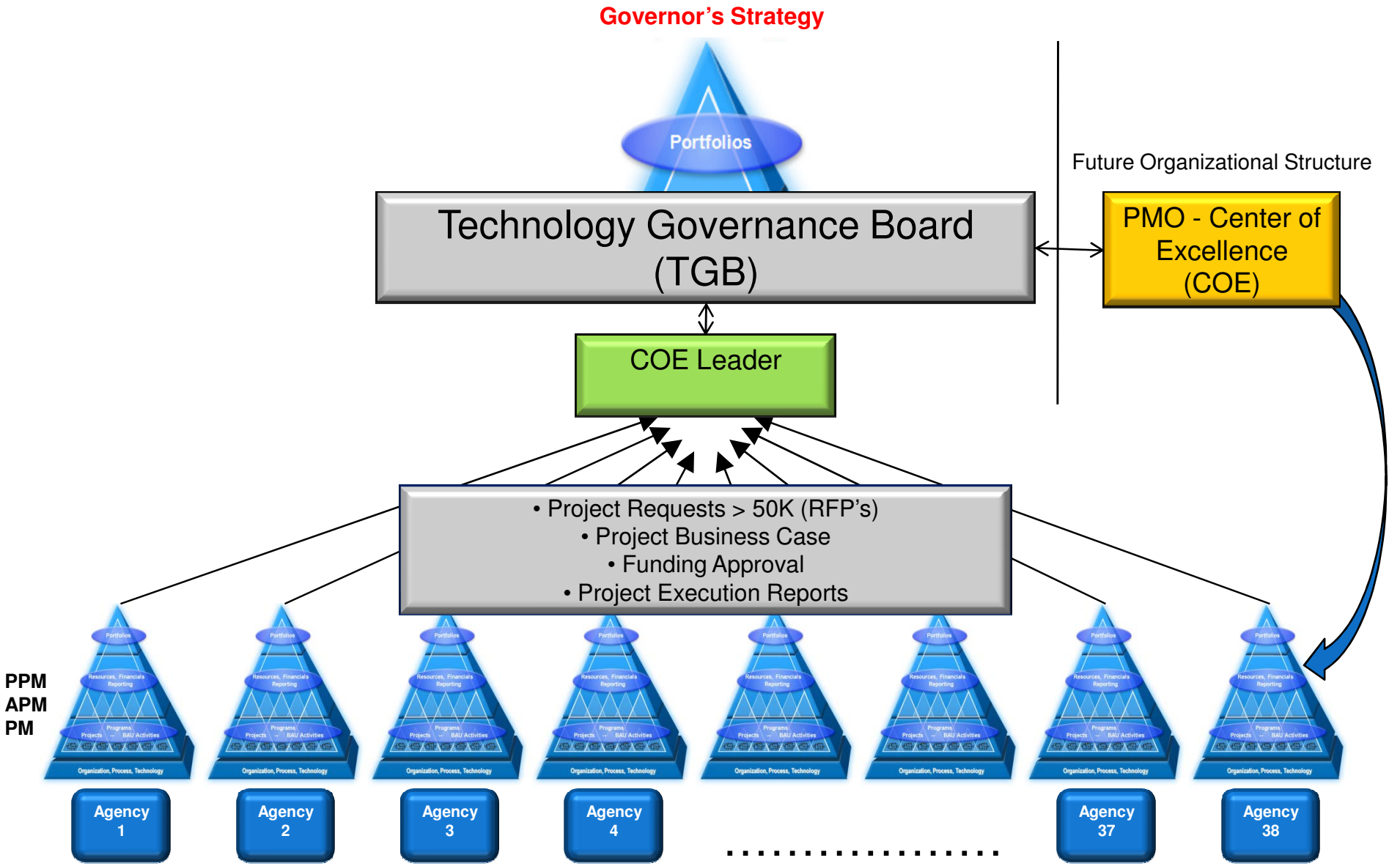
Federated Implementation Model



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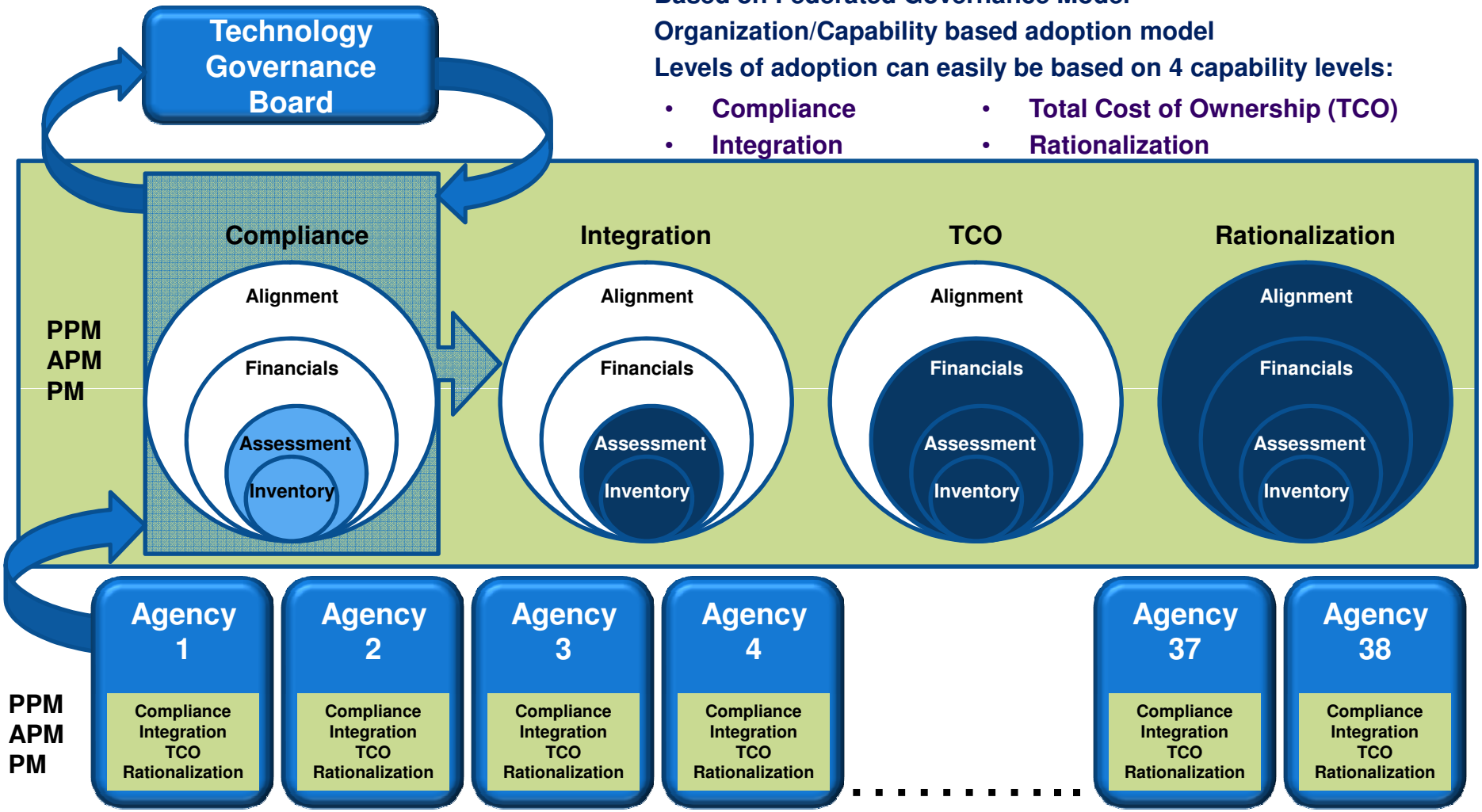
Organizational Adoption Model: Regulate and Grow

Based on Federated Governance Model

Organization/Capability based adoption model

Levels of adoption can easily be based on 4 capability levels:

- Compliance
- Integration
- Total Cost of Ownership (TCO)
- Rationalization



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Why Adopt Enterprise Project & Portfolio Management

Project and Portfolio Management is a management discipline that helps organizations achieve maximum portfolio value through the continuous process of evaluating and managing investments against key performance metrics and strategic business objectives.

In the United States*:

84% of the organizations are unable to adjust and realign their investments with business needs

84% of organizations fail to conduct business cases or only perform them on a select few

89% of organizations have no metrics in place to measure success other than minimal financial measures

40% of projects fail to meet their desired results

"Alignment is the essence of management"
Fred Smith, Chairman Federal Express

Over $1 trillion dollars spent on under-performing investments

* TechRepublic's Ted Smith, IT Project Management Research Findings

NASCIO PM Assessment results from 2005 (Included in TGB package)

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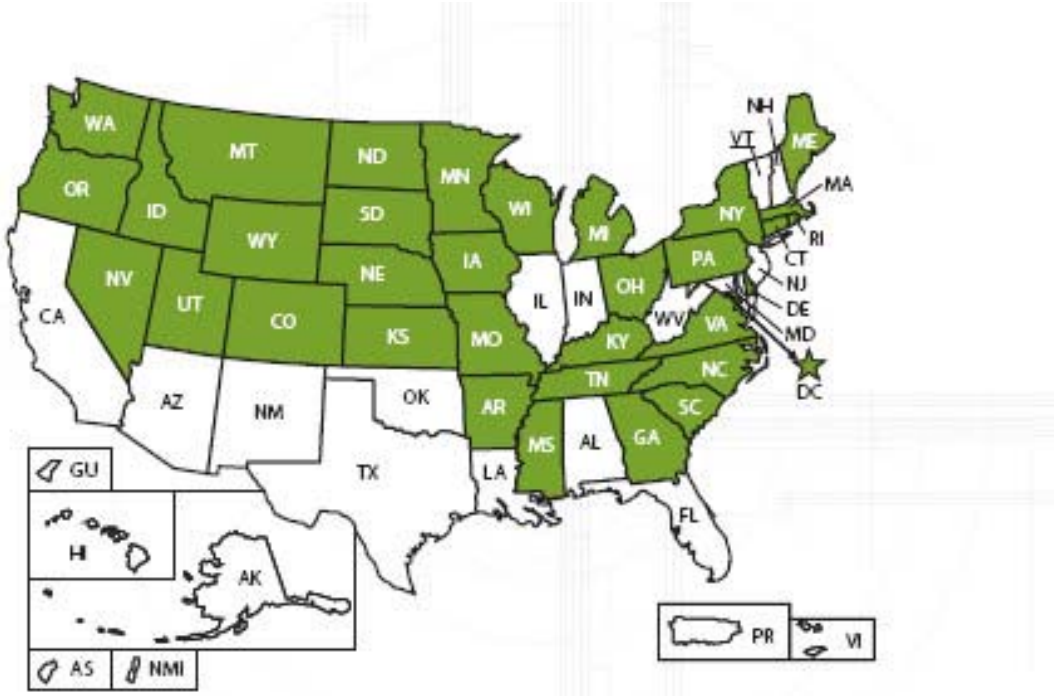
NASCIO PM Assessment results from 2005:

(Full report included in TGB package)

The National Association of State Chief Information Officers (NASCIO) recently surveyed state IT project managers concerning their approaches to IT project management. The trends discovered in responses from 34 states in August-September of 2005 reveal a baseline regarding perceived success of project management as an overarching discipline in state government.



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NASCIO PM Assessment results from 2005:
(Full report included in TGB package)

Project Management Office Structures -
States are moving toward having an enterprise/statewide PMO structure in place. Studies have shown that flawed organizational structures which do not support holistic solutions and poor executive sponsorship are two of the biggest predictors of project failure.
Key findings:
• Project managers and CIOs from across the country cite the need for authority over projects rather than mere responsibility for their success.
• Most (85%) enterprise PMOs are empowered by state CIO directive/administrative policy and have a reporting relationship to that CIO. It appears that states are recognizing a central need to at least govern portfolios and common project management practices centrally while at the same time distributing some PMO activity and functions to the agencies. There are varying lines of demarcation in scope of influence.
Project Portfolio Management –
Central IT portfolio management is a growing trend among all states. A great majority of states are centralizing via the office of the state CIO and enterprise/statewide PMO functions.
Key findings:
• Twenty-seven respondents (80%) had a project inventory and tracking process in place and a similar number were maintaining the inventory on at least an annual basis.
•State CIOs should provide consistent, objective information related to the performance of technology projects against established criteria to agency and enterprise leadership.
Strategic Alignment –
Strategic alignment centers on key overarching issues such as the role of the state PMO in providing guidance on statewide business investments, managing the state's project portfolio, and ensuring alignment with state enterprise architectures and IT strategic plans.
Key findings:
•Although most states are moving in the directions of strategically linking their project management methodologies and enterprise architecture together with the states' lines of business, there are still opportunities for improvement in this area.

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Appendices

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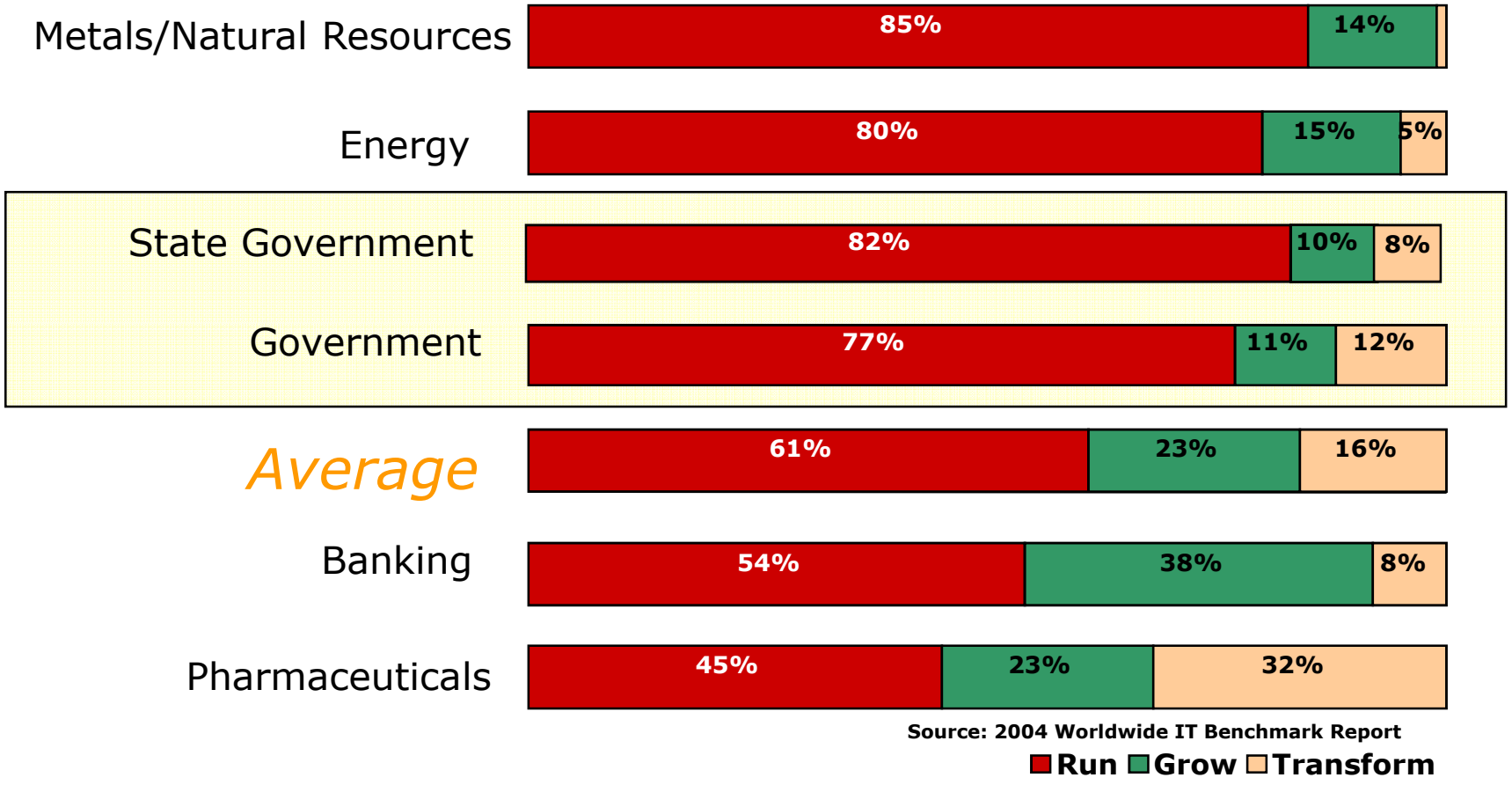
What is the Breakdown of IT Portfolio Spending in Government?

"Lights On" Dominates



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What's required to demonstrate spending is aligned to Agency Drivers?

- Consistent and clear criteria to decide on the investments
- Using business case rigor to identify cost and financial benefits
- Optimizing the spending to adhere to budget limitations
- Promoting resource sharing and reconciling agency and state needs
- Periodically and consistently evaluating and adjusting
- Managing the synergies between application and project portfolios
- Using an effective IT governance matrix

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UMT Consulting Client Success Stories

"The UMT team has been a critical strategic partner in helping the Pfizer Worldwide Technology organization define, structure, and adopt a common process and toolset for helping to guide us to make more objective portfolio investment decisions. We expect the solution to support savings and performance improvements in the hundreds of millions of dollars."

Jim Anderson, Portfolio & Governance , Pfizer Worldwide Technology

UMT Portfolio Manager™ "helps agency heads and IT managers to have a greater awareness of all IT projects that are being worked on."

Tom Runkle – Dir. Enterprise Projects

"UMT's solution has been extremely well received by our business partners. Some business units are even using the tools on non-technology projects. It isn't fundamentally about cost savings. It's about resource allocation."

Allan Shub, VP Retail & Channel Technology

As a result of UMT's approach and solution "…we saved $5 to $10mm [out of a $50mm budget] in the first year alone on projects that would have automatically gone through before."

Paul Bateman – Dir. Enterprise Governance

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